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Acting Under Authority Conferred by 28 U.S.C. § 515

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Attorneys for United States of America

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,)	Case No. CR 18-577 CRB
)	
Plaintiff,)	DECLARATION OF ZACHARY G.F.
)	ABRAHAMSON IN SUPPORT OF THE UNITED
v.)	STATES' OPPOSITION TO DEFENDANT
)	LYNCH'S MOTION <i>IN LIMINE</i> RE: POST-
MICHAEL RICHARD LYNCH and)	ACQUISITION EVIDENCE
STEPHEN KEITH CHAMBERLAIN,)	
)	Pretrial Conference: February 21, 2024
Defendant.)	Trial Date: March 18, 2024

I, Zachary G.F. Abrahamson, declare as follows:

- I am a Special Assistant United States Attorney with the United States Attorney's Office for the Northern District of California ("USAO"). I am assigned to the prosecution of the above-referenced case. I make this declaration in support of the United States' Opposition to Defendant Lynch's Motion *in Limine* to Admit Post-Acquisition Evidence. The statements herein are based in part on personal knowledge and in part on information and belief from my review of documents in this matter and my discussions with counsel for the government,

- 1 law enforcement agents, and others.
- 2 2. Attached hereto as Exhibit A is a true and correct copy of Trial Exhibit 2451, a November
- 3 15, 2011 e-mail from Manish Sarin to Kathryn Harvey and others at Hewlett-Packard.
- 4 3. Attached hereto as Exhibit B is a true and correct copy of a document produced in this case
- 5 and Bates-numbered US_FBI_E-00002629 through US_FBI_E00002635, which comprises a
- 6 November 11, 2011 e-mail (with original attachment and higher-quality reproduction) from
- 7 Brian Outland at Ernst & Young to James Murrin and others at Hewlett-Packard.
- 8 4. Attached hereto as Exhibit C is a true, correct, and redacted copy of a report of a January 17,
- 9 2014 interview of Catherine Lesjak.

10

11 I declare, under penalty of perjury, that the foregoing is true and correct. Executed this 31st day

12 of January 2024.

13 _____/s/_____
14 ZACHARY G.F. ABRAHAMSON
15 Special Assistant U.S. Attorney
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EXHIBIT A

Subject: RE: Autonomy deal model questions
From: "Sarin, Manish" <manish.sarin@hp.com>
Received(Date): Tue, 15 Nov 2011 19:53:32 -0500
To: "Harvey, Kathryn" <kathryn.harvey@hp.com>
Cc: "Bhagat, Varoon" <varoon.bhagat@hp.com>,"Hsiao, Emily (Corp Dev)" <emily.hsiao@hp.com>

Kathy –

The Dell-based revenue you reference is from which Autonomy products? They are a predominantly software company with little to no services or hardware. I am guessing they are trying to grow their “appliance” business i.e. Autonomy software bundled on industry-standard Dell hardware. I suspect this is sell-through revenue where they are getting a margin as they sell Dell appliances. Again, I am just conjecturing and don’t know for sure.

I don’t believe Autonomy breaks out this Dell-based revenue in their financials and we haven’t either.

ArcSight had a similar Dell based appliance business which we switched to HP hardware in due course. In that case, there was no revenue that ArcSight “lost”, in fact we saved on cost that ArcSight was giving to Dell. Once we learn more what kind of Dell revenue Autonomy is getting, we can have a better view.

From: Harvey, Kathryn
Sent: Tuesday, November 15, 2011 2:51 PM
To: Sarin, Manish
Cc: Bhagat, Varoon; Hsiao, Emily (Corp Dev)
Subject: RE: Autonomy deal model questions

Thanks Manish –

This was helpful, its been a crazy week (so sorry I didn’t respond sooner) but did want to let you know that I think we are good with the answer below – no additional color needed.

There was one other item that we just learned which I wanted to ask about/bring to your attention. During discussions with Autonomy folks in conjunction with our valuations, we learned that they have had approx \$100M/ year in revenue coming from the sale of Dell HW products. Was just curious if you were aware of this when you put the model together? It doesn't have any impact on our valuations, but it likely won't be part of Autonomy's future revenue stream and didn't know whether it was included in their revenue forecasts/targets.

Thanks,

Kathy

From: Sarin, Manish
Sent: 10 November 2011 20:16
To: Harvey, Kathryn
Cc: Bhagat, Varoon; Hsiao, Emily (Corp Dev)
Subject: RE: Autonomy deal model questions

Kathryn –

The gross margin split was not officially provided by Autonomy. We had made assumptions based on our understanding, public comparables etc. During one of the diligence sessions we vetted the assumptions, at a high level, with their CFO.

The Opex categories as % of revenues for the projections are derived using their publicly filed financials, our understanding of their business drivers etc. They did not provide us opex category numbers or % for the projections.

Varoon / Emily, can add additional color if needed.

Thanks

From: Harvey, Kathryn
Sent: Thursday, November 10, 2011 10:42 AM
To: Sarin, Manish
Subject: Autonomy deal model questions

Hi Manish,

I have a couple of questions on the Autonomy deal model that I am hoping you can help me with (questions are coming from reviews of various Autonomy valuations)

On the Revenue Buildup tab, there is a table that shows Gross Margin by Revenue stream (Idol License = 90%; IDOL Cloud = 85%; OEM Revenues= 98%; Maintenance = 90%; Services = 15%). Did that split come from Autonomy? Or how was that determined?

On the Standalone IS HPFY tab, Lines 31 – 33 give the Opex categories as a percentage of revenue. How did we come up with those percentages – were those coming from Autonomy's public financials?

Thanks for your help!

Best regards,

Kathy

EXHIBIT B

To: Murrin, James T[jim.murrin@hp.com]; Branch, Betsy[betsy.branch@hp.com]
Cc: Rebecca.Villalobos@ey.com[Rebecca.Villalobos@ey.com]
From: brian.outland@ey.com
Sent: Fri 11/11/2011 2:30:00 PM
Importance: Normal
Subject: Agenda
Q4 EY CFO Session - November 11 2011.pptx

Here is the agenda for this afternoon. Let me know if you have any questions or comments.

Thanks,

Brian



Brian T. Outland | Partner | Assurance and Advisory Business Services

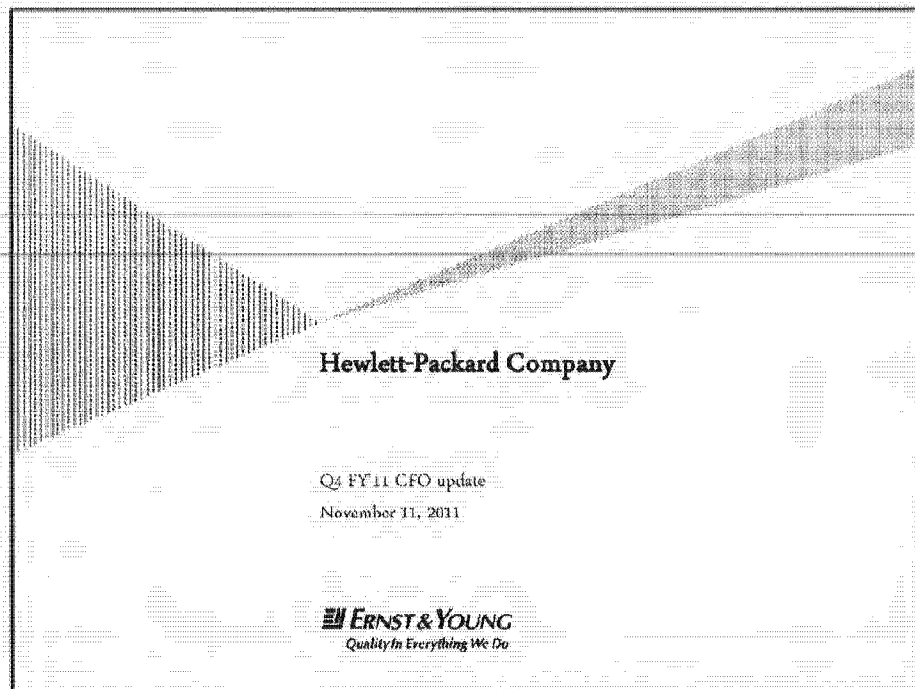
Ernst & Young LLP
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Office: +1 408 947 5500 | Direct: +1 408 918 5905 | [303 Almaden Blvd](#)
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Website: [www.ey.com](#)
Assistant: Rebecca Villalobos | Phone: +1 408 947 5574 / +1 650 857 3398 | [rebecca.villalobos@ey.com](#)
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Executive summary

2011 observations

- | | |
|---|--|
| <ul style="list-style-type: none"> ▶ Q&A areas of focus: <ul style="list-style-type: none"> — 10b5(d) Plan impairments and contract costs — Company underwrite impairment risk — Restructuring activities — Income tax provisions ▶ No significant changes to planned audit approach for ongoing operations <ul style="list-style-type: none"> — Pending disclosures related to revised forecasts ▶ Reasonable judgments by management on accounts requiring estimation <ul style="list-style-type: none"> — Consistent level of conservatism | <ul style="list-style-type: none"> ▶ Unrecorded audit differences are immaterial ▶ Remediated internal control deficiencies are not significant ▶ Income tax process and control environment are improving <ul style="list-style-type: none"> — Continued audit in 2012 |
|---|--|

Should be subject to review and action on basis of audit results and management's response

Page 2

Ernst & Young Executive Summary Private and confidential

ERNST & YOUNG
Quality In Everything We Do

Q4 FY'11 Update

► webOS/Palm

- Circuits
- Intangibles
- Supplier accruals
- Non GAAP adjustment considerations

► Compaq tradename

- Book value vs fair value
- Impairment considerations
- Utilization of the trademark

► Autonomy acquisition

- Valuation of intangibles: preliminary
- FY12 revenue recognition/maintenance pricing
- Cash contribution procedures
- Revenue includes \$115M of hardware

► ES contracts

- IBM Singapore
- Alcatel Lucent

► Bonus

► Software accounting

- Internally developed vs. developed for resale

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Ernst & Young Executive Session Private and confidential

ERNST & YOUNG
Quality In Everything We Do



Hewlett-Packard Company

Q4 FY'11 CFO update
November 11, 2011



Executive summary

2011 observations

- ▶ Q4 areas of focus
 - webOS/Palm impairments and contact costs
 - Compaq tradename impairment risk
 - Autonomy acquisition
 - Income tax provision
 - ▶ No significant changes to planned audit approach for ongoing operations
 - Testing thresholds aligned to revised forecasts
 - ▶ Reasonable judgments by management on accounts requiring estimation
 - Consistent level of conservatism
- ▶ Unrecorded audit differences are immaterial
 - ▶ Unremediated internal control deficiencies are not significant
 - ▶ Income tax process and control environment are improving
 - Continued effort in 2012

Audit is substantially complete, pending review of the year-end tax provision

Q4 FY'11 Update

- ▶ webOS/Palm
 - Goodwill
 - Intangibles
 - Supplier accruals
 - Non GAAP adjustment considerations
 - ▶ Compaq tradename
 - Book value ≈ fair value
 - Impairment considerations
 - Utilization of the tradename
 - ▶ Autonomy acquisition
 - Valuation of intangibles – preliminary
 - FY'12 revenue recognition/maintenance pricing
 - Cash confirmation procedures
 - Revenue includes \$115M of hardware
- ▶ ES contracts
 - IDA Singapore
 - Alcatel Lucent
 - ▶ Bonus
 - ▶ Software accounting
 - Internally developed vs. developed for resale

EXHIBIT C



FEDERAL BUREAU OF INVESTIGATION

Date of entry 03/24/2014

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Investigation on 01/17/2014 at San Francisco, California, United States (In Person)File # 318A-SF-2582907-302 Date drafted 01/21/2014by Keigan M. Park

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FD-302a (Rev. 05-08-10)

318A-SF-2582907-302

Continuation of FD-302 of Interview of Catherine Lesjak (Hewlett Packard), On 01/17/2014, Page 2 of 20

[REDACTED]

[REDACTED]

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Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 3 of 20

[REDACTED]

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Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 4 of 20

[REDACTED]

According to HP's discount cash flow analysis, Autonomy was worth 17 billion dollars. HP had negotiated to pay 11 billion dollars for Autonomy. [REDACTED]

[REDACTED]

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Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 5 of 20

[REDACTED]

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Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 6 of 20

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318A-SF-2582907-302

Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 7 of 20

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318A-SF-2582907-302

Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On _____

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318A-SF-2582907-302

Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 9 of 20

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FD-302a (Rev. 05-08-10)

318A-SF-2582907-302

Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 10 of 20

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Exhibit 504 - E-mail from Brian Outland to James Murrin

[REDACTED]

[REDACTED] Lesjak was directed to page three of the attached PowerPoint, where the slide stated "revenue includes \$115M of hardware" under the Autonomy acquisition bullet. Lesjak recalled having a sense that Autonomy sold appliances; therefore, she assumed the comment referred to appliances. Lesjak did not recall a discussion around either the amount or type of hardware sales. Lesjak would have been concerned if the hardware sales were straight pass-through transactions, since it was not the normal Autonomy business model. Lesjak would have expected Autonomy to share information on any hardware sales with HP. Lesjak would have also expected information regarding hardware sales to come out during due diligence.

[REDACTED]

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Continuation of FD-302 of Interview of Catherine Lesjak (Hewlett Packard), On 01/17/2014, Page 11 of 20

[REDACTED]

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Continuation of FD-302 of Interview of Catherine Lesjak (Hewlett Packard), On 01/17/2014, Page 12 of 20

[REDACTED]

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Continuation of FD-302 of Interview of Catherine Lesjak (Hewlett Packard), On 01/17/2014, Page 13 of 20

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Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 14 of 20

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Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 15 of 20

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Continuation of FD-302 of

, On 01/17/2014, Page 16 of 20

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Interview of Catherine Lesjak (Hewlett
Packard)

Continuation of FD-302 of _____, On 01/17/2014, Page 17 of 20

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Continuation of FD-302 of Interview of Catherine Lesjak (Hewlett Packard), On 01/17/2014, Page 18 of 20

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Continuation of FD-302 of Interview of Catherine Lesjak (Hewlett Packard), On 01/17/2014, Page 19 of 20

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Continuation of FD-302 of Interview of Catherine Lesjak (Hewlett Packard), On 01/17/2014, Page 20 of 20

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